CIMPT 376W Reading Flat Structural Hierarchy At Valve Software

By: Michael Chang Date: March 7, 2021

- Why did Valve choose a flat company organizational hierarchy?
 - It helps to attract more innovators and maintain an environment that will allow them to flourish.
 - Every employee at Valve has the freedom to work on any projects that they think is interesting.
 - No manager to report to, so they don't have to ask for permission for creating a new project.
- What software has Valve developed?
 - The Source Engine
 - The game engine that powers many games include:
 - Portal 1 and 2
 - Team Fortress 1 and 2
 - Live 4 Dead 1 and 2
 - Half Life 1, 2, and Alyx
 - Counter Strikes Global Offense
 - DOTA 2
 - o multiplayer online battle arena video game.
 - Steam
 - Platform where players can buy new games online or download natively on their desktop.
 - Platform that allows game developers to distribute their games on.
 - SteamVR
 - Valve's own VR platform
- When should a flat hierarchy be introduced into a company?
 - Flat hierarchy should be introduced into a company if the company is not overly relying on one product from generating revenue.
 - When the company removes excess layers of management and improves the coordination and speed of communication between employees.
 - When the company does not have a deadline for completing a game.
 - When Valve was creating Half Life Alyx, the company does not even mention that there making another Half Life game.
 - To encourage collective engagement.
 - When the company does have to please any shareholder
 - Valve CEO and co-founder Gabe Newell has full ownership of the company and believes in the idea of having a flat hierarchy structure.
 - When the company have small number of employees.
- When should a flat hierarchy not be introduced into a company?
 - When the company is going through a financial setback.
 - When the company have a large number of employees.
 - Valve number of employees: 360
 - Amazon number of employees: 575700
 - When there are shareholders who owned a portion of the company.

- Contrast the flat organizational hierarchy with other types of organizational hierarchies
 - The flat organization provides less supervision of employees to increase their involvement in the decision-making process.
- What are the disadvantages to a flat organizational hierarchy?
 - Lack of management
 - Because there are no managers, every employee will have responsibility to manage those who are around them.
 - Flat organizations tend to produce a lot of generalists but no specialists. The specific job function of employees may not be clear.
 - Larger organization like GitHub struggle to adapt the flat structure, unless the company divides into smaller, more manageable units.